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Hearing Date: February 4, 2019 at 10:00 a.m.  
Objection Deadline: January 26, 2019 at 4:00 p.m.

and

REINHART BOERNER VAN DEUREN S.C.  
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*Attorneys for:*  
*Royal Appliance Mfg. Co. Inc., d/b/a TTI Floor Care North America, Inc.*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re:	Chapter 11
	Case No. 18-23538 (RDD)
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	
	(Jointly Administered)
Debtors.	
-----X	

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF ROYAL APPLIANCE  
MFG. CO., INC., D/B/A TTI FLOOR CARE NORTH AMERICA, INC. TO NOTICE  
OF CURE COSTS AND POTENTIAL ASSUMPTION AND ASSIGNMENT OF  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH  
GLOBAL SALE TRANSACTION**

Royal Appliance Mfg. Co., Inc., d/b/a TTI Floor Care North America, Inc. (øTTI Floor  
Careö), by its attorneys, submits this Limited Objection and Reservation of Rights of Royal  
Appliance Mfg. Co., Inc., d/b/a TTI Floor Care North America, Inc. to Notice of Cure Costs and

Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction (the "Limited Objection"). In support of this Limited Objection, TTI Floor Care states as follows:

BACKGROUND

1. On October 15, 2018 (the "Petition Date"), the Debtors commenced these voluntary cases under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Court").
2. On November 19, 2018, the Court entered an *Order Approving Global Bidding Procedures and Granting Related Relief* (the "Global Bidding Procedures Order") [Docket No. 816].
3. On January 18, 2019, the Debtors filed their *Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction* (the "Executory Contract Notice") [Docket No. 1731].
4. The Executory Contract Notice contained an Exhibit A, which identifies the contracts that may be assumed and assigned to a purchaser of the Debtors' assets, and the purported applicable cure amounts for such contracts. Exhibit A identifies as a potential contract to be assumed a "Sears Marketplace Agreement" between Sears Holdings Management Corporation and TTI Floor Care (the "TTI Sears Marketplace Agreement") [No. 5960 on Exhibit A to the Executory Contract Notice]. Exhibit A identifies no "Contract Executed Date," no "Contract Expiration Date" and no "Contract Number" for the TTI Sears Marketplace Agreement. Exhibit A identifies the "Cure Amount" owed to TTI Floor Care under the TTI Sears Marketplace Agreement as \$33,805.

LIMITED OBJECTION AND RESERVATION OF RIGHTS

5. TTI Floor Care does not object *per se* to the assumption and assignment of the TTI Sears Marketplace Agreement identified on Exhibit A, but files this Limited Objection to clarify that the TTI Sears Marketplace Agreement commenced on July 1, 2018 and expires on July 31, 2019, and to clarify that any assumption and assignment of the TTI Sears Marketplace Agreement and the payment of any cure amount owed thereunder pursuant to 11 U.S.C. § 365(b)(1) does not satisfy all of the pre-petition obligations owed by the Debtors to TTI under other arrangements. Specifically, the Debtors owe TTI Floor Care in excess of \$2,200,000, the vast majority of which relates to purchase orders unrelated to the TTI Sears Marketplace Agreement.<sup>1</sup>

6. TTI Floor Care reserves its right to file proofs of claim and to assert priority status for its claims against the Debtors (both related and unrelated to the TTI Sears Marketplace Agreement), including but not limited to asserting administrative status for claims arising under 11 U.S.C. § 503(b)(9).

7. TTI Floor Care further reserves all of its rights to amend, supplement, and/or modify this Limited Objection and to file future additional pleadings.

WHEREFORE, TTI objects to the assumption of the TTI Sears Marketplace Agreement to the extent the Debtors do not clarify the applicable expiry date of that agreement, and requests

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<sup>1</sup> TTI Floor Care was previously a party to an October 1, 2014 Supply Agreement for Floor Care Products with several of the Debtors (the "Supply Agreement"), but that Supply Agreement expired by its own terms on December 31, 2016. Because the Supply Agreement expired by its own terms in 2016, it is not an executory contract and cannot be assumed and assigned. Following the expiration of the Supply Agreement, TTI Floor Care continued to ship goods to the Debtors on a purchase-order-by-purchaser-order basis.

such other and further relief as may be just and proper.

Dated: January 25, 2019  
New York, New York

HALPERIN BATTAGLIA BENZIJA, LLP

By: /s/ Alan D. Halperin

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